

ACTION AGENDA 8 Green tax, Clean tax

Fiscal incentives to improve vehicle technology

- By bringing forward the deadlines for Euro I and Euro II norms Supreme Court has shown that automobile firms can be pushed to clean up.
- But investment to improve technology increases production costs. Companies begin to lose the competitive edge.
- An emission-based tax helps to overcome this problem. The purpose of such a tax is to push manufacturers to do better than the standards that have been set.

CSE proposes environment excise duty

This is based on the principle that vehicles that pollute more should be taxed more. This will be an incentive for manufacturers to invest in cleaner technology.

